

**RULES
OF
DEPARTMENT OF REVENUE
INCOME TAX DIVISION**

**CHAPTER 560-7-8
RETURNS AND COLLECTIONS**

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(1) **Purpose.** This regulation provides guidance concerning the implementation and administration of the rural physician credit under O.C.G.A. § 48-7-29.

(2) **Definitions.** As used in this regulation:

(a) **Rural county.** The term "Rural county" means a county in this state that has 65 persons per square mile or fewer according to the United States decennial census of 1990 or any future such census. For taxable years beginning before January 1, 2002, the United States decennial census of 1990 shall be used. For taxable years beginning on or after January 1, 2002, and before January 1, 2012, the United States decennial census of 2000 shall be used. For taxable years beginning on or after January 1, 2012, and before January 1, 2022, the United States decennial census of 2010 shall be used. For taxable years beginning on or after January 1, 2022, the United States decennial census of 2020 shall be used; provided, however, a taxpayer that began practicing in a rural county in the

taxable year beginning on or after January 1, 2022, and before January 1, 2023, shall also be eligible for the credit using the United States decennial census of 2010 provided they would have qualified for the credit using such census.

(b) **Rural Physician.** The term "rural physician" means a physician licensed to practice medicine in this state, who practices in a rural county and resides in a rural county or a county contiguous to the rural county in which such physician practices and primarily admits patients to a rural hospital and practices in the fields of family practice, obstetrics and gynecology, pediatrics, internal medicine, or general surgery. A physician may practice and reside in different rural counties.

(c) **Rural Hospital.** The term "rural hospital" means an acute-care hospital located in a rural county that contains fewer than 100 beds.

(d) **Resides.** The term "resides" means the taxpayer's principal domicile and not a secondary residence of the taxpayer.

(e) **Practices.** The term "practices" means work performed in a field listed in subparagraph (2)(b) of this regulation in a rural county for an average of at least 40 hours per week for the period the physician resides in a rural county or a county contiguous to the rural county in which such physician practices.

(3) **Amount of the Credit.**

(a) A person qualifying as a rural physician shall be allowed a credit against the tax imposed by Code Section 48-7-20 in an amount not to exceed \$5,000.00. The tax credit may be claimed for not more than five years, provided that the physician continues

to qualify as a rural physician. The five-year period is a continuous period, which starts in the first year the rural physician qualifies for the credit.

(b) For taxable years beginning on or after January 1, 2022, a physician who was practicing in a rural county and residing in a rural county or a county contiguous to the rural county in which such physician practices, as determined under the decennial census of 2010, in a taxable year beginning before January 1, 2022, will be considered to continue to qualify even if the rural county, or either rural county if they were practicing and residing in different rural counties, is not included in the decennial census of 2020, provided they otherwise qualify.

(c) For taxable years beginning on or after January 1, 2012 and before January 1, 2022, a physician who was practicing in a rural county and residing in a rural county or a county contiguous to the rural county in which such physician practices, as determined under the decennial census of 2000, in a taxable year beginning before January 1, 2012, will be considered to continue to qualify even if the rural county, or either rural county if they were practicing and residing in different rural counties, is not included in the decennial census of 2010, provided they otherwise qualify.

(d) A physician who, on December 31, 2021, is currently practicing and/or residing in a county which was not considered a rural county according to the decennial census of 2010 but is now considered a rural county according to the decennial census of 2020, shall not be considered to be practicing and/or residing in a rural county.

(e) A physician who, on December 31, 2011, is currently practicing and/or residing in a county which was not considered a

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rural county according to the decennial census of 2000 but is now considered a rural county according to the decennial census of 2010, shall not be considered to be practicing and/or residing in a rural county.

(f) A physician who would have first qualified, based on the decennial census of 2000, from January 1, 2012, until the effective date of this regulation will be considered to continue to qualify provided such physician meets the requirements based on the decennial census of 2000.

(g) In the case where a physician qualifies for the rural physician credit but later the rural hospital increases its number of beds so that the hospital is not considered a rural hospital as provided by subparagraph (2)(c) of this regulation, the physician will be considered to continue to qualify provided they otherwise qualify.

(h) No physician who, on July 1, 1995, is currently practicing in a rural county shall be eligible to receive the credit provided for in paragraph (3) of this regulation. No credit shall be allowed for a physician who has previously practiced in a rural county unless, after July 1, 1995, that physician returns to practice in a rural county after having practiced in a nonrural county for at least three years.

(i) A physician who qualifies for the credit for part of the year is not required to prorate the credit computed under paragraph (3) of this regulation.

(j) In no event shall the amount of the tax credit exceed the taxpayer's income tax liability, and any unused tax credit shall not be allowed to be carried forward to apply to the taxpayer's

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succeeding years' tax liability. No such tax credit shall be allowed the taxpayer against prior years' tax liability.

Authority O.C.G.A. §§ 48-2-12 and 48-7-29.